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SNIE 84-64 ADVCON
11 March 1964

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File

SPECIAL NATIONAL INTELLIGENCE ESTIMATE

THE SHORT RUN OUTLOOK IN PANAMA

- The Political Framework
- The Canal Issue
- The Riots and Their Aftermath
- The May Elections
- The Possibility of a Coup
- The Outlook

NOTE: This is an advance copy of the conclusions of this estimate as approved by the United States Intelligence Board. The complete text will be circulated within five days of this issuance.

Central Intelligence Agency

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Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, the Army, the Navy, the Air Force, and NSA.

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

on 11 March 1964. Concurring were the Director of Intelligence and Research, Department of State; The Director, Defense Intelligence Agency; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations (Intelligence), Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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C E N T R A L I N T E L L I G E N C E A G E N C Y

11 March 1964

SUBJECT: SNIE 84-64: THE SHORT RUN OUTLOOK IN PANAMA

THE PROBLEM

To examine the situation and short run prospects in Panama, with particular emphasis on the Castro-Communist threat.

CONCLUSIONS

A. The process of political change in Panama, where the uneasy rule of the elite was being challenged by a variety of extreme nationalists, has been accelerated by the canal crisis. With general elections scheduled for 10 May, political maneuvering is in full swing. All the candidates are virtually compelled to take a strongly nationalistic stand. Candidates and party alignments are still likely to be changed. The power struggle may not be resolved at the ballot box; any of the principal candidates might resort to a coup rather than accept defeat. A new government might feel more able to compromise on the canal issue, although it would first try to consolidate its control of the government apparatus.

GROUP 1

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B. The Communists and Castroists, riding the current wave of rabid nationalism, have made substantial gains. They have established effective cooperation with each other, have expanded and improved their organizations, and have increased their influence with nationalists both in and out of government. We do not believe that they are strong enough at this stage to carry out a coup by themselves. We believe that in the immediate future they will concentrate on working with radical nationalist elements to undermine the already weakened rule of the traditional oligarchy. They will also seek to keep the canal issue alive and unresolved.

C. One durable result of the crisis is this: from a negligible factor in Panamanian life, the Communists and the Castroists have become a significant one. Their short run prospects have been sharply improved, and the longer the treaty issue remains agitated, the more lasting their gains are likely to be. Even if their strength and influence should diminish, the heightened level of nationalism will persist, and will confront the US with a succession of difficulties.

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